

2018 ARIZONA GOVERNOR'S CONFERENCE ON TOURISM

Mexican Traveler Profile



Mexican International Traveler

- Age: **25 - 44**
- **65.8%** are at least a **University Graduate**
- Top **33% HHI**
 - **\$48,462 AVG** annual household income
- Travel by **air** for leisure **1+** times, annually
- Married: **54%**
- W/ children: **47%**
- Booking window: **1-2 months in advance** (allows them to have savings of around **20%**)

Generational Motives

Millennials (20-34 years old)

Getaways with their friends, partner or solo travelling to international destinations.

Generation X (35-49 years old)

Vacations with family members or couples romantic getaways to big cities.

Baby Boomers (50-65 years old)

Prefer all inclusive packages, to focus only on enjoying their trip and they have a preference for cruises.

Mexican Internet User Profile:



51%



49%

Age groups from 45 to 54 and 55 and up, are the fastest growing internet users group, and they represent 16% of market together.

25 to 34 years old (largest group 19%)

35 to 44 years old (14%)

Top 5 Devices:



89% smartphone



49% laptop



34% desktop



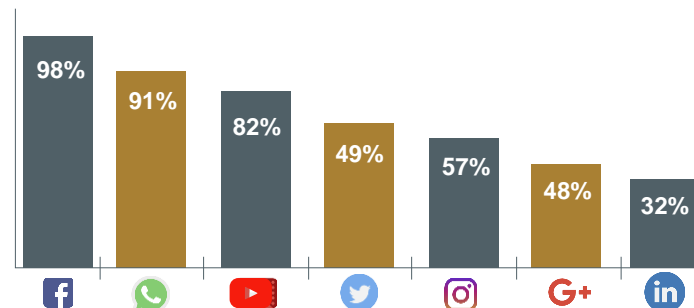
23% tablet

OTHER

11%

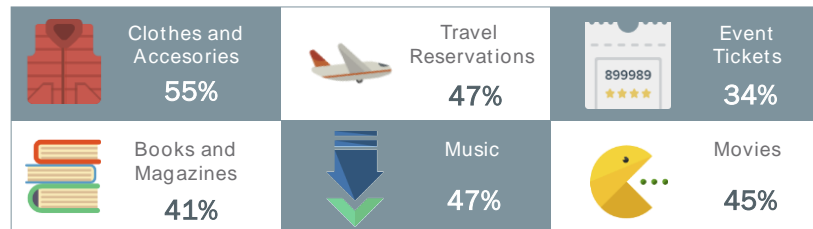
Social Media & Technology

Top 7 Social Networks in México:



Insights

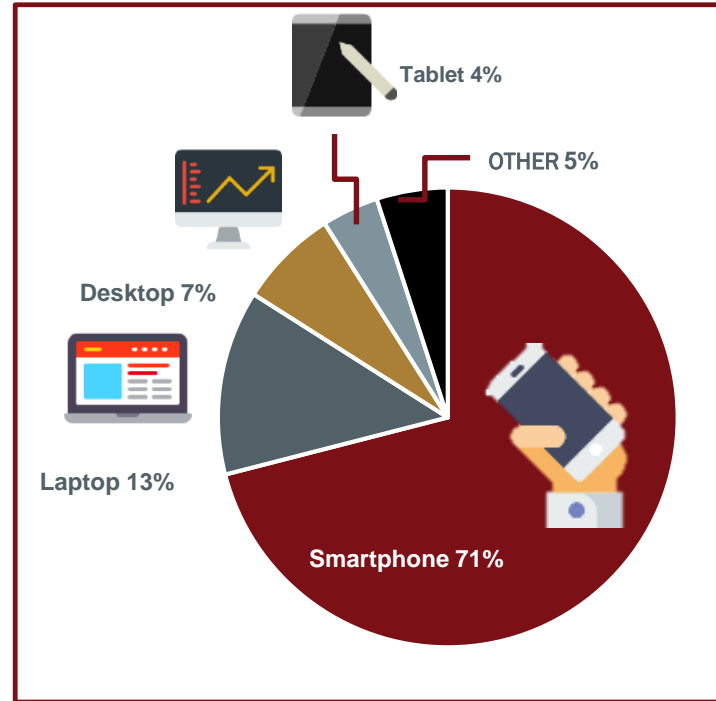
What Mexicans buy online



- Internet users: **79.1 million**
- The average **duration** of daily internet usage in Mexico **is 8 hours and 12 minutes.**
- One third of internet users still interact with the advertising posted on sites.
- **21%** of internet users shop online after looking to the advertising online.
- Desktop users **decrease 17%** compared to 2017
- **74%** review on different sites.
- **80%** of business travelers wish to see as much as possible of the destination.
- **67%** avoid hotels that charge for Wi Fi use.
- **17 types** of apps are used on average while travelling.
- **46%** mistrust online reviews.
- **67%** consider that, while chosing an airline, a proper digital experience is important.

Insights on Social Media

- AVG daily time in Social Media: **3 hours and 28 minutes**
- Users spent **40%** of their time hooked on either **social media network**
- Smartphones are the main devices to access social media: **7 out of 10** internauts use those devices



Mexican Visitation to the U.S. in 2017

17.8 million people
¼ of all international arrivals

US accounts **85%** of all Mexican
international overnight trips

16.9 billion USD Total spending

63% of all Mexican spending abroad is
in the US

Travel accounts for nearly 8% of all US
goods and services exports to Mexico

Average length of Stay (nights): 8

2 people party size: 42%

Travel with children: 17.7%

Preferred Departure day: Thursdays

Top US Cities Visited by Mexicans in 2017

Los Angeles
New York City
Miami
Chicago
Orlando
Las Vegas
San Francisco
Houston
Mc Allen
San Antonio



Sources: International Inbound Travel Market Profile / US Travel Association

Expenditures

Mexico is the US **second largest inbound market** and third largest travel export market.

U.S. is Mexicans' **No. 1 destination** for leisure activities.

Most Mexicans enter the US through the land border.

Arrivals **by air** represent around **13%** of all Mexican arrivals (2.5 million visitations)

The most popular leisure activities are: shopping, visiting friends/relatives, and other leisure.

Most Mexicans value price over luxury

Online Spending

Flights: 98% of Mexicans who book their flights online travel in **economic class**.

Accommodation: The average Mexican traveler prefers **4-star hotels** in almost every platform



Arizona Traveler Facts

- Arizona border ports reported more than **15 million crossings** in their 6 ports of entry
- Approximately, **55%** of all visitor parties **entered by car** across the U.S.-Mexico border. Most of them are day trip visitors.
- **3.8M Mexicans stayed overnight in** Arizona and they represent the 67% of all Arizona's international visitation.
- **1%** of all Mexican visitor parties to Arizona **fly** into the state
- Mexican overnight and daytime visitors are estimated to spend over **7 million USD** daily.
- **Popular shopping destinations:** Arizona Mills, Park Place Mall, Tucson Mall, Tucson Premium Outlets, Wal-Mart
- **Most popular attractions:** casinos in Tucson and Phoenix, Zoos and Parks



Travel Trends



Top Global Travel Trends in 2018

1. Two-for-One destinations

Creative itineraries, booking trips that allow to experience two destinations in one go.

2. Independent Travel

More and more travelers are taking the road for weekend getaways. Travelling solo is on the rise, specially for women.

3. Multigenerational vacations

Family trips that incorporate everyone, from distant cousins outside the country top your grandparents.

4. Road-tripping

There's no greater feeling than hitting the open road to explore protected landscapes, parks and scenic / historic attractions.



Top Global Travel Trends in 2018

5. Touring wine country

Similar to the popularity of craft beer, wine-specific destinations have also experienced an increase in demand.

6. Booking everything online

Booking flights, accommodations and tours online as never been, easier or more convenient.

7. Cooking and restaurant experiences

Cooking classes and food tours have reached 51% and 49% growth respectively.



Mexican Travel Trends

1. Outdoor Adventure Travelers

Although it is still a small market, Mexican adventure travelers spend an average of USD\$3,000 per person per trip. Activities such as hiking, mountain biking and ski will become more popular for travel in the next years.

2. Foodies

Mexican travelers are very into gastronomic experiences such as: breweries, vineyards and fine dining. Gastronomic offer of a destination may influence the decision in choosing a trip.

3. Culture Seekers

Music festivals, opera shows, concerts, art exhibitions and art fairs, have a growing appeal to the Mexican market.

4. Shopping

Shopping has always been one of the main reasons to visit the USA, this is why Mexico is the 2nd largest market in terms of spending.

5. Technology and Innovation Lovers

Promote travel based on technology and innovation destinations and experiences



Market Perception



Mexican Tourists Perception

- **Dislike** of the current U.S. administration = **reduction of passengers.**
 - Relate **border cities** with anti-migration policies, racism, mistreatment of Mexicans.
 - **Peso** vs. **Dollar** = exchange rate has remained relatively constant along last year.
 - Current trend = Travelers are choosing more **domestic destinations** to visit.
 - Places like **Canada** or **Latin America** have also become more accessible.
- After 7 years of continued growth in Mexican visitation to the US, arrivals from Mexico **declined 6.1%** in 2017.
 - Traffic from Mexico City to **Canada** destinations such as: Quebec, Montreal, Toronto and Vancouver **keep increasing** percentages.
 - Mexican visitation decreased from 19 million in 2016 to 17.8 million in 2017, which means **1.2M fewer trips** to the U.S.
 - After this decline, it is estimated that visitations from Mexico will **slightly recover in 2018.**

What Can Be Done?

Communicate with actions, not only with words.

- Organize more **FAM trip experiences**. Invite travelers to visit the destination and feel for their own, **how welcoming Arizona really is** with Mexicans in restaurants, hotels, activities and other services align with previously mentioned travel trends

Use alternative promotion platforms/strategies:

- Create a day pass, generate special offers for the market, produce information in Spanish, organize special events for the market, collaborate with Mexican influencers and brands.

Promote activities/places, and pitch unique stories/experiences, that resonate within the Mexican market.

Engage with the market through social media contents and audiovisual materials, suitable for the market (in Spanish).



Market Importance



Importance of the Mexican Market

- **PROXIMITY.-** The Arizona-Mexico border is **389 miles long**.
- **ECONOMY.-** With a GDP of 2.4 **trillion**, Mexico ranks as one of the top 15 economies in the world
- **CONSUMERS.-** A huge consumer base, and a population of **124.5 million people**, **more than 50% of total population are under 29 years old..** Mexico's **private consumption outpaces** China, Indonesia, India, Colombia and Brazil.
- **HHI.-** Growing middle class, estimated at **39%** of the total population. More than the total population of Canada. Mexico's emerging middle class is constantly looking for travel, recreational and business opportunities. Also, the upper class has big amounts of money to invest.
- **TRENDS.-** **Young and increasingly skilled and educated** population, looking for new options to travel and increase their knowledge and experiences about the world.



Source: *Why Mexico Matters – Arizona-Mexico Commission*

Fly Market

Flights to PHX from:

- Culiacan
- Cancun
- Guadalajara
- Hermosillo
- Mexico City

Airlines flying non-stop

Mexico to AZ:

- American Airlines
- Aeromar
- Volaris

Airlines flying with connections:

- Delta Airlines
- United Airlines

Extra flights on high season:

- Puerto Vallarta
- Los Cabos
- Mazatlán
- Ixtapa



- 99% of Mexican visitors who travel by plane stay overnight in AZ
- 8% stay for 5 or more nights (35% stay 3 nights and 14% 1 night)
- Bleisure has become a big reason for the fly market to travel to AZ
- Mexican travelers spend around 839 USD party/ trip
- The most common regions the fly market visit are: Phoenix & Central Area, North Central and Northern Arizona, as visitors seek for a mix of high end cities and outdoors activities
- Our goal is for the fly market to discover more of Arizona's attractions

Drive Market

AZ Border Ports of Entry:

- Douglas
- Lukeville
- Naco
- Nogales
- San Luis
- Sasabe

Mexicans drive to AZ from:

- Sonora
- Sinaloa
- Baja California

Bus lines from Mexico to AZ:

- TAP Royal
- Tufesa
- Greyhound
- 3 Fronteras

- Represents **55%** of all Mexican visitors to Arizona (mostly day visitors).
- Overnight stays
 - 19% arriving on motor coaches**
 - 12% pedestrians**
- The most common regions the drive market visits are: **Tucson & Southern Region and Phoenix Central Area.**
- **Our goal** is to push the drive market to also travel farther **north** of the state, and get to explore the state in a wider way of travelling.





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